

Finances

While the primary purpose of the BMDCA National Specialty is education and friendly competition, fiscal responsibility must be maintained as a matter of common sense and good business. The Host club's goal should be a balanced budget.

The financial goal for any National Specialty is NOT a profit, but to break even. A Specialty is an expensive outlay for the Bernese fancier. In order to maximize attendance it is crucial that fees charged be kept affordable. National Specialties continue to grow in size and length with cost to the attendee growing accordingly. It is the goal of the BMDCA that this national gathering be affordable to the largest number of the fancy as possible. It is with that in mind that the BMDCA sets a Specialty financial goal of breaking even.

On the reverse side of the coin, it is not intended that undue financial burden be placed on the host club. Reasonable fees should be charged to cover all expenses. The host club is not expected to become a profitable sales organization. It is not the intention or desire of the BMDCA to require a host club to spend disproportional amounts of time on various fund raising schemes. Host club energies should be focused on offering the best quality schedule of well run events as possible.

The increasing size and attendance of National Specialties gives a host club more flexibility managing the large sums required. The National Specialty Coordinators can and will advise host clubs in managing costs.

Accounting and bill payment will be handled by a treasurer appointed by the host club for the Specialty. This person may or may not be the host club's regular elected treasurer for club business. However, it is required that a separate checking account and financial statement be kept just for the Specialty. The host club's regular treasurer duties should be kept entirely separate. A Specialty account will have in excess of \$40,000.00 go through it before all specialty business is complete and closed. A complete financial report should be made to the Specialty Coordinators 2 months after the Specialty. A final report is due no later than 6 months after the Specialty with all specialty accounts being closed. After the Specialty Coordinators review the reports they will be forwarded to the BMDCA Board.

Budgets and Budget Management

Six months after being awarded a specialty or no less than two years before the specialty date your club must formulate a complete budget outlining all anticipated income and expenses. This detailed budget should be reviewed and discussed in detail with the Specialty Coordinators. Specialty Coordinators will then in turn review this budget with the BMDCA Treasurer and together they will approve the budget.

As plans proceed actual figures will replace estimates in the budget. If a potential deficit appears, the Specialty Chairman must present the Specialty Coordinators with plans for offsetting the deficit with additional income or deleting or reducing expenses. This is a constantly evolving process which will require careful coordination between the Specialty Chair, the Specialty Treasurer, and the Specialty Coordinators.

The Specialty Chair and the Specialty Coordinators have the final responsibility for seeing total expenses do not exceed income. Bills requiring additional funds because of a cash flow shortage will be paid by the BMDCA Treasurer only with clear budgetary justification and anticipation of future comparable specialty income. Any fund raising projects held in conjunction with a specialty and advertised to benefit any project other than the specialty (such as the Berner-Garde, rescue fund, etc.) must be approved by the BMDCA Board. These donations may occur only after all Specialty expenses are

met. *Any promised money for special causes or otherwise, will be taken out of the host club;s 50% profit. The host club may, of course, petition the National board to match the donation.* If the host club wishes to earmark funds to benefit a special organization it is suggested it be done by a percent of the final specialty income. These donations should be indicated on Specialty financial reports after the profit and loss line. If not approved, these donations must come from the host club's portion of profit, not the BMDCA's. The Judges Education Seminar offered at national specialties is a separate BMDCA expense and is not charged to the national specialty.

Up-to-date budgets compared to total actuals must be presented to the Specialty Coordinator at 18 months, 12 months, nine months, six months and three months before the specialty date. Careful review of the finances at these regular intervals will assure that potential problems are identified early and can be dealt with. Between an active show committee and the Specialty Coordinator drawing on the experience of past specialties, creative and intelligent solutions will meet the challenge of most problems. However, fiscal irresponsibility will not be tolerated, and the Specialty Coordinators have the authority to make major budgetary changes to protect the BMDCA from a substantial monetary loss.

Copies of the evolving budgets from each specialty will be kept on file by the Specialty Coordinator and given to each succeeding specialty committee and host club as a guide for their own plans.

Regular Specialty Committee meetings and exchange of ideas will assure smooth development of plans and finances. A well run specialty with fewer activities and events is preferred to an out of control specialty which tries to offer everything. The Host club should be realistic in assessing the capabilities of its members and resources.

Profit and Loss Distribution

When a host club has been awarded a National Specialty, the club enters into a contract with the BMDCA to assure a successful specialty, financially and otherwise. The BMDCA will advance the host club \$5000 for initial start-up costs. In order to receive these funds an initial conference must take place between the host club and the National Specialty coordinators. This is to promote a good working relationship and to ascertain that a separate Specialty checking account has been opened. After the initial conference the coordinators will complete a written request to the BMDCA treasurer to advance the start up funds. The \$5000 advance must be repaid to the BMDCA no later than the time of the final financial report.

At the conclusion of the Specialty, when all accounts have been settled (usually several months after the event) any profit will be shared 50/50 between the host group and the BMDCA. Thus, with initiative and good management the host club of a Specialty may improve its financial status. The BMDCA will assume responsibility for any National Specialty losses.

The BMDCA feels since the show is put on for the membership that the goal of the Specialty should be to break even, not make a huge profit. Due to the large sums of money needed to host an event of this size a reasonable profit allowance is allowed for unexpected contingencies. In order to monitor profit and prevent price gouging the following guidelines have been put in place.

The host club's goal is to have each committee make enough money to offset expenses. For example, fees for banquet meals and table favors should be offset by the price of the meal collected. However, the Host club is responsible for raising money for any expenses having no off setting income. (i.e. grounds, hospitality, planning booklet, etc.) These expenses can usually be offset by various committees that do make money (i.e. raffle, concessions, catalogue, etc.). Ways and Means as well as Raffle

are the fund-raising committees whose roles are to provide cash flow for events or specialty committees with no offsetting income. Please review the individual chapters pertaining to Raffle and Ways and Means for further details.

When preparing the Specialty's Income and Expense Statement ALL committees should be included in the profit/loss. This includes any Ways & Means goods* sold in the effort of Specialty fund raising as well as Raffle income. If there is any profit it will be divided evenly between the Host club and the BMDCA.

* *Ways & Means goods defined as:* ALL items with Specialty Logo as well as any other items/services donated or procured and advertised to benefit the Specialty.

Budget Reporting Timeline

- *6 months after being awarded the Specialty and no less than 2 years prior to the Specialty* - Initial Budget with projected Income and Expense Due
- *18 months prior to the Specialty* - Updated budget with "to date" actuals
- *12 months prior to the Specialty* - Updated budget with "to date" actuals
- *9 months prior to the Specialty* - Updated budget with "to date" actuals
- *6 months prior to the Specialty* - Updated budget with "to date" actuals
- *3 months prior to the Specialty* - Updated budget with "to date" actuals
- *2 months after the Specialty* - Up to date report of all actuals to budget
- *No later than 6 months after Specialty* - Final Profit and Loss Statement and all Specialty accounts closed.

